

**Before the**  
**Federal Communications Commission**  
**Washington, D.C. 20554**

## **COMMENTS OF THE NATIONAL SHERIFFS' ASSOCIATION**

The National Sheriffs' Association (NSA), by its attorney, hereby submits comments on the *Second Further Notice of Proposed Rulemaking (SFNPRM)*,<sup>1</sup> in which the Commission seeks comment on a number of issues in connection with the regulation of Inmate Calling Services (ICS). In its comments, NSA demonstrates that Sheriffs incur significant costs in allowing ICS in jails and that Sheriffs must be allowed to recover their costs to encourage the deployment of ICS. NSA supports a tiered rate structure for ICS rates to ensure that the rates for ICS providers that serve jails are sufficient to allow ICS providers to recover their costs. NSA also supports a transition of at least two years for the implementation of the rules.

NSA represents over 3,000 Sheriffs nationwide who operate approximately 80% of the jails in the country. Sheriffs, typically, are the chief law enforcement official of their counties with numerous duties in addition to the operation of county jails. The Sheriffs in the United States are very diverse and have different jurisdictional sizes and challenges, including budget constraints. Similarly, the size of the jails operated by Sheriffs and their inmate populations are very diverse with different challenges. Accordingly, the needs of Sheriffs with respect to ICS, the cost to provide ICS in jails and the cost to the Sheriffs to perform ICS-related duties varies by

<sup>1</sup> Rates for Interstate Inmate Calling Services, WC Docket No. 12-375, Second Further Notice of Proposed Rulemaking, FCC 14-158 (rel. October 22, 2014) (*Second Further Notice of Proposed Rulemaking or SFNPRM*).

facility. Moreover, the cost structure and needs of jails are very different from prisons.<sup>2</sup> Therefore, a one-size-fits-all approach for cost recovery for Sheriffs or ICS providers will not be sufficient to ensure the continued operation of ICS in jails.

### **Sheriffs Incur Real and Significant Cost in Allowing ICS in Jails**

In the *SFNPRM*, the Commission seeks comment on whether correctional facilities incur costs in the provision of ICS and, if so, how facilities should recover those costs. The Commission requests data on costs “that are directly related to the provision of ICS.”<sup>3</sup>

Every jail incurs costs for facility officers’ time to maintain security and to administer the ICS system. A top priority for all Sheriffs operating jails is to maintain and ensure security in all aspects of the jail’s operation, including when inmates make and receive calls. In the *SFNPRM*, the Commission focuses exclusively on benefits of ICS for inmates. However, ICS also presents significant risks. Inmates oftentimes try to continue criminal activity from jails. They communicate with other criminals outside of jails and in other jails and prisons to circumvent security. They contact witnesses, their victims, judges, attorneys and law enforcement to harass or intimidate.

In order to ensure the security of the public, facility officers and inmates, facility officers have responsibilities to record and monitor calls to protect the public from abuse and to prevent criminal activity when inmates make telephone calls. Security duties performed by facility officers may include:

- Enrollment and management of inmates into voice biometrics system

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<sup>2</sup> In general, a jail is used by local jurisdictions such as counties and cities to confine people for short periods of time, including people who have been convicted to serve a short sentence, individuals awaiting trial, and people who have not yet paid bail. In contrast, prisons are operated by the state or federal government and are used to house convicted criminals for periods of much longer duration.

<sup>3</sup> SFNPRM at ¶28.

- Respond to ICS system alerts
- Forward alerts and recorded calls to investigators
- Conduct real-time monitoring of inmate conversations
- Analyze call recording of inmate conversations
- Burn CDs of conversations for further review by investigators
- Respond to law enforcement requests and subpoenas for call detail records and recordings

Facility officers also must perform various administrative functions when inmates have access to ICS. Facility officers may be required to perform duties such as:

- Be trained on the operation of the ICS system
- Answer questions from inmates and family members (how calls are billed, why calls are blocked, how to open an account to receive calls to CLEC and wireless carrier numbers)
- Maintain and administer the list of numbers to be blocked (facility numbers, officers' numbers, judges' numbers, witnesses' numbers, victims' numbers, jurors' numbers)
- Take requests from the public to have numbers blocked
- Administer prepaid cards and/or debit system, if utilized
- Train inmates on the use of ICS to include use of trust account balance inquiry, transfer of funds to debit account, placement of debit calls
- Administer a PIN system, if utilized
- Administer a voice biometric system, if utilized
- Maintain an approved number list, if utilized
- Contact the ICS provider for service issues
- Accompany ICS technicians while in the facility to service inmate phone systems
- Maintain negative databases of blocked numbers
- Initiate call traffic reviews
- Flag calls to specific phone numbers for review
- Flag calls from various cell blocks to the same phone numbers

In addition, facility officers have increased training requirements to learn to use the complex ICS system, including:

- Administer the facility's phone use rules and restrictions
- Establish security levels and clearance codes for various officers
- Authorize selected facility officers for levels of access and control
- Remove and implement administrative blocks
- Administer special numbers, PREA, crime tip lines, attorneys, etc.
- Generate reports and statistical analyses
- Research and identify call traffic patterns

To determine the cost of performing duties associated with ICS, NSA conducted a survey

of its membership. Sheriffs reported the number of hours per week for officers, supervisors and other employees spent on monitoring/security duties<sup>4</sup> and administrative duties<sup>5</sup> in connection with ICS and the annual compensation for the officers and employees engaged in these duties. Sheriffs also were asked to provide the most recent three months of data from ICS providers concerning the total minutes of use for the facility for each month. Survey results were received from Sheriffs operating jails in 23 states and the District of Columbia.

The per minute cost to perform duties in connection with ICS for each jail was calculated based on the data provided. A spreadsheet showing the data for the facilities that responded to the survey and the per minute cost calculated for each facility is attached as Exhibit A. In addition to the total cost per minute, Exhibit A also shows the per minute cost to perform monitoring/security tasks and the per minute cost to perform administrative tasks for each facility.

Based on the data provided, it is clear that ICS requires jails to incur cost for officer and supervisor time that they otherwise would not incur. As shown in Exhibit A, each individual facility has its own per minute cost because of differences in officer, supervisor and other employee hours spent on various duties, which may reflect differences in the ICS system and security needs of each facility; the compensation rates for officers, supervisors and other employees; and differences in minutes of use. Although in general, jails with a larger average daily population (ADP) of inmates have a lower per minute cost, this does not hold true for all jails. Even jails with similar ADP's have a significantly different per minute cost for

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<sup>4</sup> The survey asked Sheriffs to report time spent on call monitoring, responding to ICS system alerts, responding to law enforcement requests for records/recordings, call recording analysis, enrolling inmates for voice biometrics, and other duties.

<sup>5</sup> The survey asked Sheriffs to report time spent on system administration, answering questions from the public, answering questions from inmates, blocking/unblocking numbers, providing escorts for phone repairs, educating inmates on the use of ICS and other duties.

monitoring/security and administrative duties.

### **ICS Providers Should Pay Jails for the Costs Incurred to Allow ICS**

The Commission asks for comment on how to enable facilities to recover the demonstrated costs related to the provision of ICS “in a manner that does not disrupt a market-based approach to lowering rates for end users of ICS.”<sup>6</sup> As an initial matter, the Commission is incorrectly focusing only on lower rates for end users. Section 276 of the Act requires the Commission to ensure the deployment of payphone services to the benefit of the general public. Denying payments to jails or restricting such payments to levels that do not at least cover costs, will have the effect of reducing the incentive and ability to allow ICS in jails.

In this regard, the Commission has it exactly backwards when it asks if site commissions hinder the widespread deployment of payphone services. On the contrary, site commissions and/or other payments to correctional facilities have made it possible for even the smallest of jails and jails with the most limited of budgets to allow this labor intensive activity. This conclusion is supported by the numerous comments in the record in which Sheriffs and jail administrators have stated that a loss of compensation from ICS providers would force them to reexamine whether and the extent to which, ICS would be allowed in their jail.

The NSA survey clearly shows that jails incur a significant cost for duties officers must perform if inmate calling services are to be allowed. Today’s sophisticated ICS system requires technically proficient and experienced facility officers. Inmate phone services can only be provided when trained officers daily monitor and review information to protect the public from abuse and prevent criminal activity. Accordingly, jails must receive cost recovery to administer the ICS system. There is no valid reason to restrict the ability of jails to recover these costs from

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<sup>6</sup> SFNPRM at ¶28.

ICS providers or to restrict the ability of ICS providers to recover these costs from inmates and the recipients of their phone calls.

In addition, in many, if not most, cases, inmate calling is a discretionary service allowed for the benefit of inmates and their families. If jails are not permitted to recover their ICS costs, then some Sheriffs may be forced to significantly limit or eliminate altogether access to inmate phones in their jails. Accordingly, the Commission must not prohibit the recovery of these costs. Moreover, the NSA cost survey demonstrates that the cost structure in jails varies, as does call volume, and, therefore, a single compensation amount for all jails is not appropriate and would not be sufficient. Similarly, a single compensation amount for prisons and jails would not be sufficient as jails are local or county-based facilities that do not have the economies of scale or scope of larger federal and state prisons.

Thus, the Commission must balance its desire to keep ICS rates at a low level with the requirement to ensure the deployment of services. To ensure the deployment of services, the Commission must not restrict the ability of jails to recover their costs from ICS providers. Further, the ICS provider and facility should be able to structure cost recovery in any manner to which they agree, including a per minute payment, a percentage payment or a lump sum payment.

#### **The Data Does Not Support the Commission's Conclusions on Site Commissions**

The Commission seeks comment on whether site commissions, including all payments whether in-kind payments, exchange, allowances, or other fees, should be prohibited. The Commission states that site commissions are the primary reason ICS rates are unjust and unreasonable and ICS compensation is unfair. The Commission has acknowledged, however, the possibility that some portion of payments to correctional facilities may reimburse

correctional facilities for costs, such as security costs, that the Commission would likely consider reasonably and directly related to the provision of ICS.

As shown in the data provided by NSA, at least some portion of commission payments, in fact, reimburse jails for security and administrative costs directly related to ICS. Accordingly, the Commission's proposal to eliminate all commission payments is not justified.

The Commission also states that where states have eliminated site commissions, rates have fallen dramatically. The Commission predicts that prohibiting site commissions "will enable the market to perform properly and encourage selection of ICS providers based on price, technology and services rather than on the highest site commission payment."<sup>7</sup> The Commission seeks comment on whether this approach will foster a competitive market that will ensure just and reasonable rates and fair compensation for ICS while minimizing regulatory burdens on ICS providers and the Commission.

It is not at all clear that site commissions must be eliminated to reduce ICS rates, especially since the Commission intends to cap all ICS rates. However, it is clear that eliminating payments to jails will reduce the ability and incentive of Sheriffs to allow ICS in jails. Accordingly, the Commission should not eliminate site commissions for jails.

#### **A Single Nationwide ICS Rate Will Adversely Impact the Availability of ICS in Jails**

The Commission asks whether it should establish one nationwide per minute rate for interstate and intrastate ICS or whether it should establish tiered rate caps. The record shows that the cost to provide ICS in jails, and especially smaller jails, is greater than the cost to serve prisons. Thus, as NSA has argued previously, a uniform ICS rate will not provide adequate compensation to ICS providers that primarily serve jails and smaller facilities and, as a result, a

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<sup>7</sup> SFNPRM at ¶21.

uniform ICS rate plan will impact whether ICS providers will be willing to provide service in higher cost jails.

Accordingly, NSA supports the development of separate rates for jails operated by Sheriffs. The characteristics that cause the cost structure for jails operated by Sheriffs to be higher than other institutions include the fact that these facilities are operated on a local jurisdiction basis, such as a county, with fewer inmates and higher turnover rates. A rate structure which sets a uniform, low rate cap based on average costs that apply to all facilities means that the costs at some facilities are higher than the rate allowed. Jails operated by Sheriffs are most likely to fall into that category.

In fact, ICS providers have stated that they may stop providing ICS altogether in higher cost facilities, like jails, if rate caps are based on average costs. For example, Securus stated that it would be difficult to continue providing services to smaller institutions that are more costly to serve.<sup>8</sup> Pay Tel stated that "it will not be able to provide service to those facilities where it is unable to recover its costs."<sup>9</sup> CenturyLink stated that cross subsidized facilities will not be able to recover costs which could lead to companies terminating service<sup>10</sup> and that it is "unlikely to pursue contracts with certain county facilities at least until the Commission concludes its anticipated rulemakings to clarify and finalize the ICS rate structure."<sup>11</sup>

Against this backdrop, NSA has significant concerns with the proposal filed by Securus, GTL and Telmate urging the Commission to adopt rate caps of \$0.20 per minute for debit and prepaid interstate and intrastate ICS and \$0.24 per minute for all interstate and intrastate collect

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<sup>8</sup> Letter from Stephanie A. Joyce, Counsel to Securus Technologies, Inc. to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-375 (filed Nov. 25, 2013).

<sup>9</sup> Petition of Pay Tel Communications, Inc. for Partial Stay of Rates for Interstate Inmate Calling Services Order, WC 12-345, at 24, (Nov. 26, 2013) (Pay Tel Stay Petition).

<sup>10</sup> Petition of CenturyLink for Stay Pending Judicial Review, WC 12-345, at 13 (Nov. 27, 2013).

<sup>11</sup> *Id.*, Declaration of Paul Cooper at ¶18.

ICS, effective 90 days after adoption of a final order. The proposal urges the FCC to prohibit all in-kind payments and administrative fees not directly related to the provision of ICS. The proposal also argues that any compensation to correctional facilities must be nominal or else it will require higher ICS rates.

NSA notes that these three carriers primarily serve prisons and large jails. Therefore, it appears that their proposed ICS rate does not reflect the cost to serve small jails. A single rate as proposed by these carriers will not support ICS in all facilities and will decrease the deployment in jails, contrary to section 276 of the Act. A uniform, low rate also would provide no incentive to increase the number of ICS providers willing to provide service in small jails. On the contrary, it may encourage ICS providers to stop providing service in higher cost facilities altogether to increase their profit margins.

Similarly, the uniform, nominal compensation rate for jails proposed by these carriers does not accurately reflect the cost to Sheriffs to allow access to ICS in jails and, in particular, small jails. Accordingly, the nominal compensation rate proposed by the carriers will not provide adequate compensation to Sheriffs, which could lead to less access to ICS in jails.

#### **A Transition Period of at Least Two Years Should be Adopted**

The Commission asks about the impact of the ICS requirements on existing contracts between correctional facilities and ICS providers and asks if there should be a transition period before any new rules go into effect. The Commission asks whether 90 days after the effective date of the order is an appropriate transition period to comply with new rules and rate caps; whether a two year transition period should be allowed; or whether “one state or state subdivision budget cycle to transition away from site commission payments to allow facilities and states time to adjust” is the appropriate period. The Commission also asks for comment on

Securus' proposal that site commissions should be completely eliminated by January 1, 2016 and that rate reform should be effective by that date.

NSA supports a transition period of at least two years before any new rules become effective to permit jails time to try to adjust their budgets so that ICS in jails can be continued. As stated by NSA in its Petition for Reconsideration of the interim rate caps for interstate ICS calls, a short implementation period will preclude the ability of Sheriffs operating jails to modify their budgets to account for the loss of revenues they will experience or consider other alternatives that will allow them to maintain the security and administrative functions necessary to allow ICS. A two-year transition period also may reduce the impact on existing contracts. NSA urges the Commission to reject Securus' request to implement rate reform and eliminate site commissions by January 1, 2016, as this time period is too short to allow Sheriffs to adjust their budgets.

### **Conclusion**

NSA asks the Commission to adopt the recommendations contained herein. As shown, Sheriffs incur real and significant costs in connection with the security and administrative duties that are incurred when ICS is allowed in jails and, at a minimum, they must be allowed to recover these costs to ensure the continued deployment of ICS in jails. Moreover, the needs and cost structure for jails and prisons are different and, therefore, one uniform rate for ICS calls and a uniform approach for compensation for facilities is not sufficient to ensure the continuation of

ICS in jails. Further, to reduce the impact of any new rules and to provide Sheriffs with the opportunity to adjust their budgets, the Commission should adopt at least a two-year transition period.

Respectfully submitted,

**NATIONAL SHERIFFS' ASSOCIATION**

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**Exhibit A**

NSA Member Data Summary - ADP 1-99

NSA Member Data Summary - ADP 100-349

NSA Member Data Summary - ADP 350-999

## NSA Member Data Summary - ADP 1000+

1	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE				
	Administrative												Monitoring/Security												Minutes of Use Data										
2	Site #	ADP	Hours	Wages	Annual Benefits	Detention Officer	Supervisor	Weekly	Other	Other	Annual	Detention Officer	Supervisor	Weekly	Other	Other	Annual	Month 1	Month 2	Month 3	Calculated Monthly	Calculated Monthly	Calculated Monthly	Average SECURITY	Average Call	Average ADMIN Cost	Average Cost per Minute	Average TOTAL Cost							
	Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11	Column12	Column13	Column14	Column15	Column16	Column17	Column18	Column19	Column20	Column21	Column22	Column23	Column24	Column25	Column26	Column27	Column28	Column29	Column30	Column31				
4	137	1048	11	\$38,200	\$17,300	7	\$54,500	\$21,500	30	\$38,200	\$17,300	1	\$54,500	\$21,500	20	\$38,200	\$17,300	928,61	\$2,380	\$3,049	928,261	\$0,003	\$0,003	\$0,006	\$0,006	\$0,006	\$0,006	\$0,006	\$0,006	\$0,006	\$0,006				
5	138	1053	81.5	\$58,321	\$17,496	2.5	\$81,206	\$24,362	26	\$38,695	\$11,608	40	\$58,321	\$17,496	2	\$81,206	\$24,362	1	\$38,695	\$11,608	276,508	293,034	347,281	\$16,965	\$6,863	305,608	\$0,053	\$0,022	\$0,075						
6	139	1150	64	\$52,104	\$18,000	24	\$66,477	\$20,000	16	\$47,278	\$16,000	36	\$52,104	\$18,000	0	\$66,477	\$20,000	\$47,278	\$16,000	347,149	327,058	283,209	\$15,780	\$5,258	319,189	\$0,049	\$0,016	\$0,086							
7	140	1151	19.8	\$41,871	\$14,568	10.3	\$56,935	\$15,156	0	\$41,871	\$14,568	2	\$56,935	\$15,156	30	\$62,947	\$18,226	79,148	\$5,540	83,347	\$3,875	\$5,374	\$2,673	\$0,047	\$0,065	\$0,112									
8	141	1187	26.5	\$39,488	\$16,243	1.5	\$50,929	\$12,191	20	\$39,488	\$16,243	12	\$50,929	\$12,191	0	\$50,929	\$12,191	617,907	\$26,215	592,975	\$3,271	\$2,443	\$12,366	\$0,005	\$0,004	\$0,009									
9	142	1233	20	\$81,988	\$36,911	8	\$66,000	\$27,852	81	\$81,988	\$36,911	80	\$81,988	\$41,641	30	\$85,268	\$43,120	803,645	740,713	859,746	\$6,518	\$50,343	801,368	\$0,008	\$0,063	\$0,071									
10	143	1350	9	\$40,331	\$16,000	15	\$31,554	\$11,500	19.4	\$40,331	\$16,000	23	\$54,080	\$22,052	258,653	\$25,062	220,474	\$1,742	\$4,222	236,066	\$0,007	\$0,016	\$0,025												
11	144	1364	30	\$52,827	\$16,759	17	\$48,018	\$15,749	34	\$52,827	\$16,759	20	\$48,018	\$15,749	10	916,698	1,019,807	941,128	\$6,608	\$7,586	959,211	\$0,007	\$0,008	\$0,015											
12	145	1394	4.5	\$47,174	\$19,781	5.5	\$56,014	\$23,525	190	\$47,174	\$19,780	20	\$56,014	\$23,524	24	711,675	685,131	636,236	\$1,539	\$10,288	677,681	\$0,002	\$0,015	\$0,017											
13	146	1398	11.9	\$62,000	\$27,200	57	\$71,700	\$30,000	17	\$35,700	\$23,500	60	\$62,000	\$27,200	0	\$70,000	\$30,000	35	\$35,700	\$23,500	357,670	345,242	311,894	\$36,288	\$15,467	338,269	\$0,107	\$0,046	\$0,153						
14	147	1500	1	\$40,000	\$20,000	2	\$84,000	\$20,000	1	\$84,000	\$20,000	1	\$84,000	\$20,000	1	\$84,000	\$20,000	178,448	200,476	217,721	\$433	\$217	197,215	\$0,002	\$0,001	\$0,003									
15	148	1525	273.3	\$55,567	\$16,059	54	\$73,290	\$21,181	130	\$66,783	\$19,300	200	\$51,199	\$14,797	30	\$80,019	\$23,125	6.5	\$87,936	\$25,413	52,7061	\$74,724	\$35,480	\$27,061	\$0,119	\$0,057	\$0,176								
16	149	1640	11	\$66,355	\$46,175	3	\$66,355	\$46,175	12	\$66,355	\$46,175	14	\$66,355	\$46,175	1	\$66,355	\$46,175	540,844	\$51,647	543,809	\$2,579	\$2,813	545,433	\$0,005	\$0,005	\$0,010									
17	150	2097	145	\$36,441	\$16,269	4	\$50,419	\$21,567	73	\$27,726	\$12,477	80	\$36,441	\$16,269	40	\$50,419	\$21,567	125	\$27,726	\$12,477	335,794	706,036	728,104	\$22,637	\$25,253	589,978	\$0,038	\$0,043	\$0,081						
18	151	2147	6	\$40,000	\$13,200	36	\$50,000	\$16,500	53	\$50,000	\$16,500	533	\$50,000	\$16,500	1	1,023,120	1,052,871	1,068,621	\$5,653	\$76,614	1,048,204	\$0,005	\$0,073	\$0,078											
19	152	2688	20	\$52,000	\$26,969	0.5	\$101,000	\$52,318	14	\$52,000	\$26,969	14	\$52,000	\$26,969	833,066	930,599	885,363	\$3,450	\$2,303	884,343	\$0,004	\$0,003	\$0,007												

## Survey Notes

1. Column B- ADP- Average Daily Population

2. Column Z- Calculated Monthly Admin. Expense

$$(((C*52)/12)*((D+E)/2080))+(((F*52)/12)*((G+H)/2080))+(((I*52)/12)*((J+K)/2080))$$

3. Column AA- Calculated Monthly Security Expense

$$(((M*52)/12)*((N+O)/2080))+(((P*52)/12)*((Q+R)/2080))+(((S*52)/12)*((T+U)/2080))$$

4. Column AB- Average Monthly Call Minutes

$$\text{AVERAGE}(W,X,Y)$$

5. Column AC- Average Admin Cost Per Minute

$$+Z/AB$$

6. Column AD- Average Security Cost Per Minute

$$+AA/AB$$

7. Column AE- Average Total Cost Per Minute

$$+AD+AC$$